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Contact: Gwen Dobbs

Tel: 202-544-5205 or Email: gwen@alaskawild.org

REPORT: Oil Production in the Arctic Refuge – Impacts to Deficit and National Energy Security

WASHINGTON – Today, David J. Murphy, Assistant Professor in the Environmental Studies Department of St. Lawrence University published a report called [“Oil Production in the Arctic National Wildlife Refuge – Impacts to Deficit and National Energy Security.”](#)

HIGHLIGHTS

- To meet President Trump’s assumption that \$3.6 billion would be raised from leasing in the Arctic Refuge, companies would have to bid an average of \$2,400 per acre on *every single* acre of the 1.5 million acre Coastal Plain — more than 10 times the average lease sale bid on Alaska’s North Slope (about \$194/acre). What’s more, since 2000, the average North Slope *onshore* bid has been only \$34 an acre — meaning bids in the Arctic Refuge would need to come in at almost 100 times more than recent onshore bidding activity.
- Oil from the Arctic Refuge will not appreciably advance “energy dominance.” Fossil fuels are finite and even if the U.S. increases production, it only has ~3% of the world oil reserves, while OPEC “dominates” with 71%.
- There is not enough oil projected under the Coastal Plain to impact U.S. energy security, and there is nothing keeping Refuge oil from being exported all over the world. Currently 58% of U.S. oil is exported.
- If current 2017-2025 CAFÉ standards are maintained, domestic oil consumption would be reduced by roughly *six times* the amount of oil projected to be within the Arctic Refuge. Such decreases in oil demand represent a permanent solution, whereas oil production in the Arctic Refuge would only temporarily and marginally address oil dependence. Arctic Refuge oil represents little more oil than what our nation uses in a year. Once Refuge oil is gone, our nation is back to where it started, minus the permanent loss to an irreplaceable protected area.
- Arctic Refuge would not have an appreciable impact on gas prices. Arctic Refuge oil represents less than 1% of world oil reserves. According to EIA, the calculated impact that Arctic Refuge oil production would have on gas prices in the world market is less than \$.02/gallon. Given EIA’s assessment that “[OPEC] could neutralize any potential price impact of ANWR coastal plain production by reducing its exports by an equal amount” the actual effect on gas prices would be closer to zero.

Statement by Kristen Miller, Conservation Director, Alaska Wilderness League:

“Beyond the devastating environmental harm that Arctic Refuge drilling would have on our nation’s wildest and most iconic wildlife refuge, it is clear that this proposal makes no sense in today’s energy climate.



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If we simply kept in place current CAFE standards, we would reduce domestic oil consumption by roughly six times the amount of oil projected to be within the Arctic Refuge. We can fuel our country while protecting our public lands. Americans are now paying less at the pump, and estimates project lower prices for years to come, without Arctic Refuge oil. Plus, drilling in the Arctic Refuge would reduce oil prices by merely pennies on the gallon, if at all. “

Furthermore, this proposal is not about the American taxpayer. It is about slipping a controversial rider into unrelated legislation to avoid full debate. Just look at the numbers. It is laughable to think that Arctic Refuge would result in \$1 billion in revenues, when the facts show that the average North Slope bid is at least an order of magnitude lower than what they are estimating. Congress needs to stop pulling the wool over the American public’s eyes – you aren’t balancing the budget and you are decimating one of our most beloved and iconic wild places, while tanking tax reform, one of your greatest priorities.

We will continue to fight this controversial provision and will not stop until Arctic Refuge is out of the budget for good.”

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The Arctic Refuge is one of our nation’s most majestic places, home to the Porcupine Caribou Herd, musk oxen, wolves, imperiled polar bears, and nearly 200 species of migratory birds that migrate to six continents and all 50 states.



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